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ABSTRACT

This paper has been developed by the Association of Colleges of Applied Arts and Technology of Ontario (ACAATO) to advance a strong college system that will continue to contribute to economic development in Ontario. Each year the colleges provide accessible quality career education and training in English and French to over one million adults. The paper first outlines the collective achievements of Ontario's community colleges, including: (1) 85% employment rates for graduates, with many programs reaching 100%; (2) business and education partnerships respected in over 200 Ontario communities and 74 countries around the world; (3) over 600,000 graduates since 1968; (4) program quality guaranteed through provincial program standards; (5) a student body representing over 50 cultures, 55% of whom receive financial aid and 10% of whom are qualified for special needs assistance; and (6) 33% more students served with 40% less government funding since 1990. The paper proceeds to provide a rationale for the investment and policy changes necessary for the colleges to continue to succeed in the 21st Century. Opportunities to enhance economic and social development include: strategic investment in physical infrastructure/learning technology, a fixed share funding formula, new enterprise models, the approval of applied degrees, and an improved human resource management model. (AS)

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Association of Colleges of Applied Arts and Technology of Ontario

ONTARIO COLLEGES OF APPLIED ARTS AND TECHNOLOGY

Leading Economic Development Across Ontario: Achievements and Opportunities

December 1998

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Developed by the Board Chairs and Presidents
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Association of Colleges of Applied Arts
and Technology of Ontario

ONTARIO COLLEGES OF APPLIED ARTS AND TECHNOLOGY

Leading Economic Development Across Ontario: Achievements and Opportunities

Executive Summary

The Colleges of Applied Arts and Technology have contributed to economic developmentri Ontario for over 30 years. Public perception research and expert testimony confirm the importance of the colleges in providing the advanced skills necessary in the knowledge economy.

High annual employment rates for graduates of career education and training programs across the province demonstrate the quality, access and accountability of the 25 community colleges. In over 200 communities colleges are training Ontario's workforce and attracting new business to keep Ontario competitive.

College Board Chairs and Presidents have identified a series of five new tools necessary for colleges to enhance their role as productive agents of economic growth in the 21st Century. This paper outlines the colleges' collective requests for strategic investment and policy development. These opportunities form the basis of the Association of Colleges of Applied Arts and Technology of Ontario (ACAATO) 1999 advocacy and communications activity across Ontario.

Firstly, quality education and training programs to ensure economic development require strategic investment in physical infrastructure and learning technology. Current requirements exceed $600M. Secondly, associated with urgent reinvestment is a revised funding formula based on a fixed share with accompanying growth and performance envelopes. Together, these advancements would promote quality, maintain access and ensure sound planning as the colleges increase self-sufficiency due to funding grant reductions.

Learning organizations in the new millennium will require flexibility to develop innovative public and private sector partnerships and to source new revenue. The restrictions of Schedule III crown agency status limit the colleges enterprise capacity. Thirdly, increased flexibility and decreased red tape are required if the colleges are to meet the government's social and economic development objectives. Fourthly, included in this flexibility request is the option to offer applied degree programs in response to workplace demand for advanced training.

Lastly, the Board Chairs and Presidents have agreed to establish a task force to work with all stakeholders, including the Council of Regents, to explore new human resource managemeh models to assist the colleges move forward as the market-driven learning centres necessary to achieve Ontario prosperity in the decade ahead.

Association of Colleges of Applied Arts
and Technology of Ontario

ONTARIO COLLEGES OF APPLIED ARTS AND TECHNOLOGY

Leading Economic Development Across Ontario: Achievements and Opportunities

"Ontario's community college system
is among the best in North America."
Premier Mike Harris
Auto Parts Manufacturing Association
1997 Annual General Meeting

The Colleges of Applied Arts and Technology have contributed to economic development in Ontario for over 30 years. Each year, the colleges provide accessible quality career education and training in English and French to over one million adults. Colleges prepare job-ready graduates for Ontario's labour market and deliver a proven return on public education investment.

This paper has been developed by the General Assembly of College Board Chairs and Presidents of the Association of Colleges of Applied Arts and Technology of Ontario (ACAATO) to advance a strong college system for Ontario. The paper will first outline the collective achievements of Ontario's community colleges and then provide rationale for the investment and policy changes necessary for the colleges to continue to succeed in the 21st Century. These opportunities to enhance economic and social development include: strategic investment in physical infrastructure/learning technology, a fixed share funding formula, new enterprise models, applied degrees and an improved human resource management model.

"Working with the colleges has been very much a win-win scenario. They provide us with top-notch trained people who can hit the ground running. They've helped me realize my business objectives."
Andrew Charles
Vice President, National Sales
CIBC Mortgages Inc.
"Join The Companies Growing With Us"
October 1997

ACHIEVEMENTS

Ontario's colleges are a career education and training system that meets the needs of the economy. Colleges economic development contribution is demonstrated through outstanding quality, access and accountability achievements:

> *"Ontario's community colleges do a great job of supplying businesses like ours with well-educated and highly skilled labour."*
>
> *Paul Koenderman, President*
> *Babcock & Wilcox Canada*
> *Featured in 1998 Ontario Budget Speech Documents*

- Average employment rates for graduates exceed 85% and in many programs reach 100% As the annual Premier's Awards nominations illustrate, college graduates are building a better Ontario.

- Colleges are respected in over 200 Ontario communities and 74 countries around the world for their business and educatbn partnerships. Large and small business look to the colleges for rapid response to training needs.

- Over 600,000 graduates since 1968 provide testimony to the value of college education and training. New industries are attracted to Ontario because of the availability of a skilled workforce and state-of-the-art training facilities.

- Program quality is guaranteed through provincial program standards. Program advisory committees of employers and educators regularly review curricula to integrate the new skills necessary to adapt to the new knowledge economy.

- Colleges are the accessible link between school and work, serving increasing numbers of workers upgrading their skills. The average student age is 26 and 60% of college applicants come from the workplace or home for re-training. Colleges provide learning opportunities to students representing over 50 cultures with varied backgrounds, including almost double the number of sole support and married students than universities. Over 55% receive financial aid and 10% receivespecial needs assistance. Prior Learning Assessment and Recognition ensures qualified students reach their education goals quickly.

- As Ontario's most efficient public sector, colleges are a sound economic investment. Since 1990, colleges have served 33% more students with 40% less government funding. Per student funding has decreased from over $5,000 to under $3,000 during this period. Asa result, less than 50% of college revenue comes from provincial government sources ad colleges are challenged to increase their self-sufficiency.

- Colleges are leading public sector accountability by implementing Key Performance Indicators (KPI) in employer, student and graduate satisfaction, as well as job placement and graduation rates. KPI linkage to funding will be introduced in 2000/2001. Community-based boards have ensured public sector accountability through quality improvement processes for over 30 years.

> *"More than 35% of respondents in the Competitiveness Jobs and Training survey chose a college diploma in a technical occupation as the type of education most*

likely to lead to employment."

Angus Reid/Ernst & Young Poll. July 1998

OPPORTUNITIES

> *"Canada's colleges have become so flush with their ability to place students in real jobs—most boast a success rate in the range of 90 per cent—that nothing seems to daunt them. Colleges are in the business of producing not only welders and machinists, but world-class chefs, a new generation of multidisciplinary health-care workers and whiz-kid animators."*
>
> *Maclean's cover story*
> *October 26, 1998*

Times have changed since the 1967 founding of the Colleges of Applied Arts and Technology by then Education Minister William Davis. Technology has revolutionized the work place; the classroom is now virtual. Knowledge is the most valuable commodity in today's global marketplace. The needs of employers have changed to just-in-time training and continuous re-training.

In response to workplace needs, colleges across Ontario are transforming to market-driven learning centres for the 21st Century. Key strategic directions include:

- new quality education programs and services
- accessible diverse learning options
- state-of-the-art learning technology
- innovative alliances with business and education
- common information systems
- inter-institutional resource-sharing

As the year 2000 approaches, the colleges are becoming even more productive agents of economic growth. New tools are necessary, however, for colleges to continue to contribute to provincial prosperity. These tools, while separately listed, are interrelated at the core of college transformation. Colleges of the 21st Century will require these key pillars of opportunity to continue leading economic development across Ontario.

The Association of Colleges of Applied Arts and Technology of Ontario, the organization of college governing boards, is requesting these strategic changes in investment and policy development to ensure Ontario's colleges remain among the best in North America. The Association's General Assembly has also endorsed a comprehensive advocacy strategy around these key requests.

A. Strategic Investment

> *"Community colleges have a vital role in the digital age to provide access to lifelong learning for everyone."*
>
> *Bill Gates*
> *Chairman and CEO*
> *Microsoft Corporation*
> *League for Innovation Conference*

1. **Physical Infrastructure and Learning Technology**
The role of the Colleges of Applied Arts and Technology is to train Ontario's workforce to keep Ontario competitive. State-of-the-art education and training programs and services require investment, as do 30-year old buildings and equipment.

College physical infrastructure is severely under-resourced due both to funding reductions and pressure to support new learning technologies. Current estimates of province-wid requirements are as follows:

Capital	$250 M
Deferred Maintenance	$200 M
Learning and Information Technology	$140 M
Annual IT replacement	$ 45 M

At the present time, without additional funding for physical infrastructure and learning technology, quality, access, safety and efficiency are at risk. Information technology and education leaders across North America are supporting the role of colleges in addressing workplace needs for lifelong learning. Colleges are being urged to double their capacityd deliver skills training programs for knowledge workers. Technology is essential if colleges are to meet the economy's demand for learning.

Required Action:
ACAATO requests, on behalf of the students, employers and regional economic development initiatives, that strategic reinvestment in the colleges be assigned the highest possible priority in the 1999 provincial budget.

2. **Funding Formula Revision**
The colleges' current enrolment-driven funding formula, while appropriate in the early years of unlimited growth, is no longer effective in this era of restructuring and reduction. Competition for funding based only on expansion criteria in an era of substantive fundig reductions disadvantages all colleges: those colleges that need to grow quickly to meet population demand and those colleges situated in regions that are not growing. These funding shortfalls have prevented colleges in all areas from realizing their economic and socia development potential for job creation and youth employment.

The current model therefore limits access to postsecondary education across Ontario, particularly in northern and rural areas, and puts a strain on existing infrastructures.

A fixed-share model of funding, with accompanying growth and performance envelopes, would maintain public access, promote quality, generate rapid response to workplace needs for new programming and facilitate strategic planning. A fixed share model would work by providing a stable base as well as portions of the grant for KPI outcomes and as government strategic initiatives. This model would recognize growth in the Greater Toronto Area, as well as those facing financial difficulties due to regional economic downturns.

Funding formula revision as a tool for strategic economic development continues to be a ACAATO priority. As the 1998/99 enrolment figures illustrate, a new funding approach is urgently needed if the public is to continue to have access to quality career education and training across Ontario.

Required Action:
ACAATO requests revision of the college funding formula to a fixed share model to fund quality and access.

B. Flexibility for Innovation

"One-size-fits-all approach clearly does not work and accentuates the need for local action at the community level to identify real priorities and develop local solutions."

Ontario Jobs and Investment Board:
Creating Infrastructure to Support Growth and Competitiveness

1. **Enterprise Models**
   Colleges of Applied Arts and Technology were established as Schedule III Crown agencies with appropriate-for-the-time restrictive corporate relationships to the public through government. Colleges were then funded almost entirely through government grants and student tuition fees and protection of public investment was paramount.

   Funding relationships have changed significantly since that time. Less than 50% of college funding comes from government. Colleges are seeking new sources of revenue to continue to provide education quality and access. Colleges therefore need more flexibility for innovative partnerships with the private sector — local solutions to address local priorities.

   Colleges have proven their accountability to the Ontario public. Community-based governing boards have ensured financial soundness and the achievement of the colleges' career education and training mandate, after overcoming extraordinary environmental challenges. Colleges are Ontario's education success story. They should be permitted to introduce corporate flexibility to become more entrepreneurial and market driven. Increasing Ministry of Education and Training red tape and existing restrictions under Schedule III status are inhibiting college achievement of government objectives.

   Employers are depending upon the colleges to continue to provide innovative programs at the leading edge of technology. Red tape that is restricting quick response to market demand, such as requiring Ministry of Education and Training approval for non-MET funded programs, must be eliminated.

   The private sector has continued to demonstrate its support for colleges through the Ontario Student Opportunity Trust Fund (OSOTF), Access to Opportunities Program (ATOP) and Strategic Skills initiatives. To benefit Ontario's economic growth further and to continued reduce dependency upon grants and tuition, colleges should be encouraged to establish for-profit subsidiaries and enter into new corporate relationships with the private sector.

Answering the call to action issued by the Ontario Jobs and Investment Board, colleges welcome the changing roles and responsibilities of the government and private sector in financing, delivering and managing public infrastructure. One size or one structure no longer fits all. Just as colleges are leading public sector accountability by the introduction of Key Performance Indicators, colleges are capable of, and committed to, further leadership in learning innovation.

Recommended Action:
ACAATO recommends that certain restrictions under Schedule III and within MET policy that prevent colleges from leading innovation and expand their contribution to economic growth be removed.

2. **Applied Degrees**

Ontario's knowledge economy requires access to degree programs for all qualified candidates.

Over the past decade, several key postsecondary consultations have focused on the need for a seamless postsecondary system in Ontario. The Colleges of Applied Arts and Technology *Vision 2000* (1990), the Ministry of Education and Training's *No Dead Ends* (1993), and college advice to the Advisory Panel on Postsecondary Education (1996), have urged the provincial government to develop a postsecondary education vision that provides the knowledgeable and skilled workforce necessary to advance Ontario's competitiveness in the global economy. This vision requires the innovative and enthusiastic collaboration of Ontario's colleges of applied arts and technology and universities, as well as new policy and resources to support these relationships. College-university articulation with degree-completion is a continuing priority for Ontario's colleges.

College credit recognition arrangements with Ontario universities have been difficult to obtain however. Workplace needs for advanced training have overtaken progress in college/university articulation. College graduates are too often forced to attend out-of-province/country universities to continue their education due to lack of recognition from Ontario universities for skills and knowledge attained. The result is a loss to Ontario's economic development through increasing costs to the public, to individuals and to institutions and a needless duplication of effort.

As Ontario looks to the workforce learning demands of the new millennium, it will be necessary to expand efficient advanced training and lifelong learning delivery systems. The universities do not have the resources to accept the high volumes of college graduates seeking the internationally recognized degree credential.

The applied degree credential provides a partial solution to these challenges. Assigning applied degree-status to specialty programs in colleges of applied arts and technology is helping to fill the advanced training gap in several jurisdictions, such as Australia, Alberta and Michigan. For example, following a pilot project, Alberta recently confirmed its commitment to applied degrees in college programs different in structure and intent from most university degrees. Several Ontario colleges have requested applied degree status in selected programs on the basis of peer adjudicated quality standards.

Required Action:
ACAATO requests that the Ministry of Education and Training be authorized to approve applied degrees to selected Ontario college programs.

C. Improved Human Resource Management Model

Through the past decade, college governors, presidents, students and others have questioned the suitability of current collective bargaining processes for effective human resource management for "the learning colleges."

- Governors have long raised concerns about the loss of board authority in human resource management, the most important area of board responsibility, for which boards have ultimate accountability.
- Administrators have challenged the lack of opportunity to build flexible working relationships to address local strategic priorities and adapt quickly to market demand.
- Students continue to face the possibility of suspension of their studies.
- Negotiations are often protracted, unproductive and costly.
- The public profile of the colleges as quality and accessible learning organizations has been jeopardized.

Several expert investigations of college collective bargaining relationships have been initiated without system-wide change. The recent 2½ year academic bargaining process has resulted in a collective agreement that brought none of the changes needed for colleges to move as market-driven learning centres into the 21st Century. The colleges are now at consensus once again to examine new human resource management models that are more suitable to the colleges as transformational organizations in the regional, provincial and global marketplace.

Required Action:
The General Assembly of ACAATO will establish a task force to work with all stakeholders, including the Council of Regents, to explore new human resource management models for the Ontario colleges. The time frame for the work of the task force is immediate, with recommendations anticipated in early 1999.

December 1, 1998